Michigan Deptartment of Treasury 496 (2-04)

Auditing Issued under P.A. 2 o		ocedures Repo	ort					
Local Government T	X 1 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Local Government Name GREENBUSH TO	WNSHIP	-	Count	ONA	
Audit Date 3/31/05		Opinion Date <b>8/12/05</b>	Date Acc 9/23/0	ountant Report Submi	itted to State:			
accordance with Financial Statem We affirm that:	the S ents fo	inancial statements of this Statements of the Govern or Counties and Local Units	mental Accounting Si s of Government in Mic	tandards Board ( chigan by the Mich	(GASB) and tl nigan Departme	ne <i>Uniform</i> ent of Treas	Report	nts prepared in ing Format fo
		with the Bulletin for the Au			chigan as revis	ed.		
		blic accountants registered						
We further affirm comments and re		llowing. "Yes" responses h nendations	ave been disclosed in	the financial state	ements, includi	ng the note:	s, or in t	he report of
You must check t	he app	olicable box for each item b	pelow.					
Yes V	o 1.	Certain component units/	funds/agencies of the	local unit are exc	luded from the	financial st	atemen	ts.
Yes ✓ No	o 2.	There are accumulated 275 of 1980).	deficits in one or more	e of this unit's un	reserved fund	balances/re	etained	earnings (P.A
Yes ✓ N	о 3.	There are instances of amended).	non-compliance with t	the Uniform Acco	ounting and Bu	udgeting Ac	t (P.A.	2 of 1968, as
Yes ✓ No	o 4.	The local unit has viola requirements, or an order				the Municip	oal Fina	nce Act or its
Yes ✓ No	5.	The local unit holds dep as amended [MCL 129.9				requireme	nts. (P.A	A. 20 of 1943
Yes ✓ No	6.	The local unit has been d	lelinquent in distributing	g tax revenues th	at were collecte	ed for anoth	er taxir	ng unit.
Yes ✓ No	o 7.	The local unit has violat pension benefits (normal credits are more than the	I costs) in the current	year. If the plan	is more than 1	00% funde	d and th	ne overfunding
✓ Yes	8.	The local unit uses cred (MCL 129.241).	dit cards and has not	adopted an app	licable policy a	as required	by P.A	. 266 of 1998
✓ Yes	9.	The local unit has not add	opted an investment po	olicy as required b	oy P.A. 196 of	1997 (MCL	129.95).	
We have enclos	ed the	e following:			Enclosed	To Be Forward		Not Required
The letter of com	ments	and recommendations.			✓			
Reports on indiv	dual fe	ederal financial assistance	programs (program au	ıdits).				<b>✓</b>
Single Audit Rep	orts (A	ASLGU).						<b>√</b>
		Firm Name) OMPANY, CPAS				***************************************		
Street Address 60 HARROW	LANE	=		City SAGINAW		State MI	ZIP 4863	8
Accountant Signature	n	wek a- Bon	hraumo			Date G	23-	05

# **GREENBUSH TOWNSHIP**

Alcona County, Michigan

# FINANCIAL STATEMENTS

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60 Harrow Lane Saginaw, Michigan 48603

(989) 791-1555 Fax (989) 791-1992

To the Township Board Greenbush Township, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenbush Township as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Greenbush Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greenbush Township, as of March 31, 2005, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greenbush Township's basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

As described in Note 10, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related statements, as of April 1, 2004.

Bertheaume & Co\_ August 12, 2005



# STATEMENT OF NET ASSETS

	Governmental Activities	
Assets:		
Cash and cash equivalents	\$	291,161
Receivables		30,064
Capital assets:		
Nondepreciable capital assets		30,520
Depreciable capital assets, net		400,769
Total assets		752,514
Liabilities:		
Accounts payable and accrued expenses		49,811
Total liabilities		49,811
Net assets:		
Invested in capital assets		431,289
Unrestricted		271,414
Total net assets	\$	702,703

# STATEMENT OF ACTIVITIES

	-			Program Revenues				
	_ <u>E</u>	xpenses		arges for ervices	Gr	perating ants and tributions		(Expense) Revenue
Functions/Programs								
Governmental activities:								
General government	\$	109,947	\$	175	\$	5,888	\$	(103,884)
Public safety		43,852		-		2,212		(41,640)
Public works		110,790		-		4,586		(106,204)
Health and welfare		-		1,001		-		1,001
Community and economic development		7,468		1,915		-		(5,553)
Recreation and culture		4,606		215		1,260		(3,131)
Total governmental activities	<u>\$</u>	276,663	\$	3,306	\$	13,946	_	(259,411)
	General revenues:  Taxes:  Property taxes, levied for general purpose Property taxes, levied for fire protection Payment in lieu of property taxes					61,839 75,027 3,125		
		nts and con		ons not re	estrict	ed to		
		ecific prog						101,119
		estricted in	vestm	ent earnin	gs			4,418
	Mise	cellaneous						7,651
	To	otal general	rever	nues				253,179
	Cl	nange in ne	t asset	ts				(6,232)
	Net	assets, beg	inning	g of year				708,935
	Net	assets, end	of yea	ar			\$	702,703

#### GOVERNMENTAL FUNDS

# **BALANCE SHEET**

	General Fund
Assets:	
Cash and cash equivalents	\$ 291,161
Taxes receivable	14,235
Due from other governmental units	15,829
Total assets	\$ 321,225
Liabilities and Fund Balance:	
Liabilities:	
Accounts payable	
and accrued expenses	\$ 49,811
Total liabilities	49,811
Fund balances:	
Unreserved:	
General fund	271,414
Total fund balance	271,414
Total liabilities and fund balance	\$ 321,225

# RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

Total fund balances for governmental funds	\$ 271,414
Total net assets reported for governmental activities in the statement of of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets 598,539	
Less accumulated depreciation (167,250	 431,289
Net assets of governmental activities	\$ 702,703

#### GOVERNMENTAL FUNDS

# STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	General Fund
Revenues:	
Property taxes	\$ 139,991
Licenses and permits	1,615
State grants	109,219
Charges for services	300
Interest and rents	5,809
Other revenue	13,497
Total revenues	270,431
Expenditures:	
Current	
General government	94,091
Public safety	21,707
Public works	97,891
Community and economic development	6,530
Recreation and culture	2,494
Other	30,281
Capital outlay	12,965
Total expenditures	265,959
Excess (deficiency) of	
revenues over expenditures	4,472
Fund balance, beginning of year	266,942
Fund balance, end of year	\$ 271,414

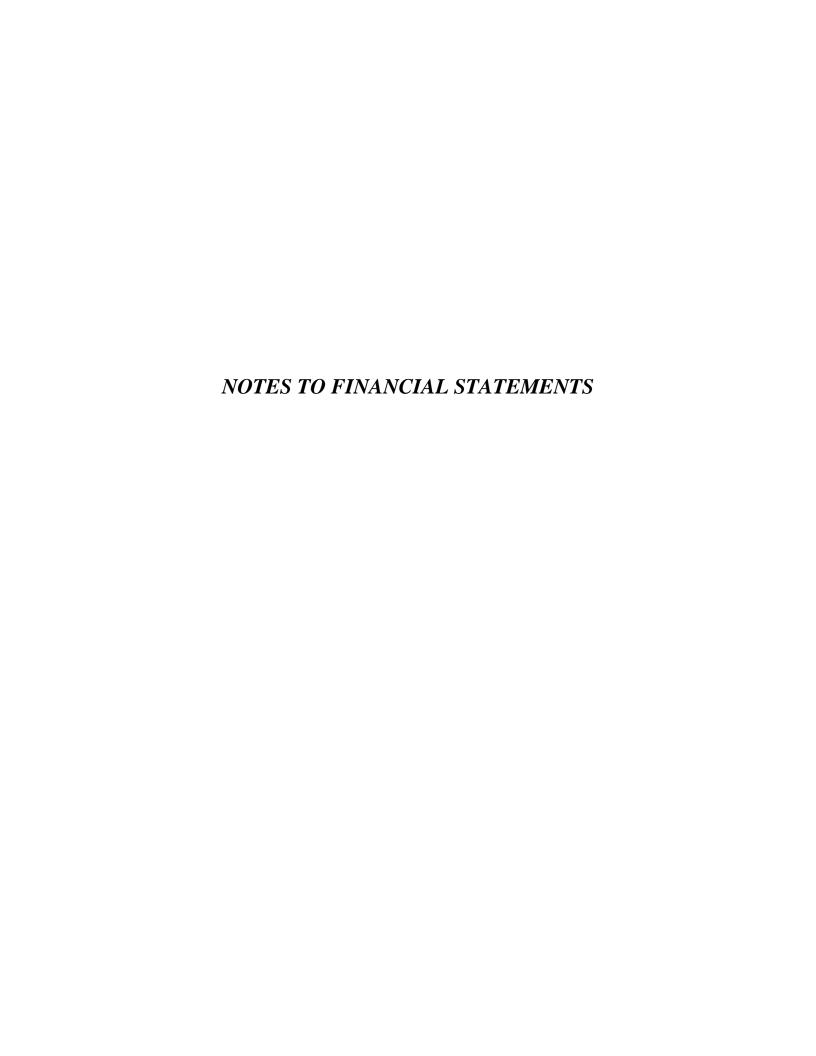
# RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Net change in fund balances - total governmental funds	\$	4,472
Total change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Capital outlay 5,8	90	
Less depreciation expense (16,5)	94)	(10,704)
Change in net assets of governmental activities	\$	(6,232)

#### FIDUCIARY FUNDS – AGENCY FUND

# STATEMENT OF NET ASSETS

	Current Tax Collection Fund
Assets:	
Cash and cash equivalents	\$ 16,024
Liabilities:	
Accounts payable and accrued expenses	821
Due to other governmental units	15,203
The 112 1222	16.024
Total liabilities	16,024
Net Assets:	
Unrestricted	
Total net assets	\$ -



#### NOTES TO FINANCIAL STATEMENTS

March 31, 2005

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Greenbush Township conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

#### **Reporting Entity:**

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Township and its component units, if any. In evaluating the Township as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Township may be financially accountable and, as such, should be included within the Township's financial statements. The Township (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the Township. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no component units included in the Township's reporting entity.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

#### Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the governmental activities.

March 31, 2005

The statement of net assets presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net assets are reported in three parts (1) invested in capital assets, (2) restricted net assets, if any, and (3) unrestricted net assets. The Township first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the Township's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The Township does not allocate indirect costs.

The government-wide focus is on the sustainability of the Township as an entity and the change in the Township's net assets resulting from current year activities.

#### Fund Financial Statements:

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Fiduciary funds are accounted for on a spending or economic resources measurement focus and the accrual basis of accounting as are the proprietary funds.

March 31, 2005

The Township reports the following major governmental funds:

The **General Fund** is the primary operating fund of the Township. It is used to account for all financial resources, except for those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board.

#### Assets, Liabilities and Equity:

<u>Deposits and Investments</u> – Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short term investments with a maturity of three months or less when acquired. Investments, if any, are stated at fair value.

<u>Inventories and Prepaid Items</u> – Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

<u>Capital Assets</u> – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Township defines capital assets as assets with an initial individual cost in excess of \$500. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. Public domain (infrastructure) assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are capitalized if acquired after April 1, 2004. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements 20-50 years Equipment 5-40 years

<u>Compensated Absences</u> – Employees are not allowed to accumulate earned but unused vacation and sick days. Therefore, no liability is recorded in the government-wide financial statements.

<u>Long-term Obligations</u> – In the government-wide financial statements, long-term debt and other long-term obligations, if any, are reported as liabilities in the governmental activities statement of net assets.

<u>Fund Equity</u> – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

March 31, 2005

#### **Property Taxes:**

Properties are assessed as of December 31. The related property taxes become a lien on December 1 of the following year. These taxes are due February 14 with the final collection date of February 28 before they are added to the county tax rolls.

The 2004 taxable valuation of the Township totaled \$79,345,388, on which ad valorem taxes levied consisted of .4914 mills for the Township's operating purposes and .9458 mills for a special voted fire millage.

The delinquent real property taxes of the Township are purchased by Alcona County. The delinquent real property taxes are received soon enough after year end to be recorded as revenue in the current year.

# NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### **Budgetary Information:**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1. The Township Clerk submits to the Township Board a proposed operating budget by fund for each year. The operating budget includes proposed expenditures and the means of financing them.
- 2. A public hearing is conducted to obtain taxpayer comments.
- 3. Prior to April 1, the budget is legally enacted by adoption of the Township Board.
- 4. Any revision that alters the total expenditures of any fund must be approved by the Township.
- 5. Formal budgetary integration is employed as a management control device during the year for all funds.
- 6. Governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A comparison of actual results of operations to the General Fund budget as originally adopted and amended by the Township Board is included in the required supplemental information.
- 7. All annual appropriations lapse at fiscal year end.

#### **Excess of Expenditures over Appropriations in Budgeted Funds:**

During the year, the Township did not incur expenditures that were in excess of the amounts budgeted.

March 31, 2005

#### **NOTE 3: DEPOSITS AND INVESTMENTS**

The Township's deposits of \$291,161 at March 31, 2005 are included in the statement of net assets under cash and cash equivalents.

The deposits of the governmental activities were reflected in the accounts of financial institutions (without recognition of checks written but not yet cleared or of deposits in transit) at \$316,529, of which \$101,261 is covered by federal depository insurance and the remainder was uninsured and uncollaterized. The Township believes that due to the dollar amount of cash deposits and the limits of the FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### **Investments:**

State statutes authorize the Township to invest surplus funds in certificates of deposit, savings accounts and deposit accounts with banks and savings and loan associations which are members of FDIC, credit unions which are insured by NCUA, bonds, bills or notes of the U.S., commercial paper rated within the 3 highest classifications established, U.S. or federal agency obligation repurchase agreements, bankers' acceptances and mutual funds composed entirely of the aforementioned investments that are legal for direct investment by a Township.

Investments are categorized into these three categories of credit risk:

Category 1 – Insured or registered, or securities held by the Township or its agent in the Township's name;

Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name; and

Category 3 – Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

At year end, the Township had no investments.

March 31, 2005

#### **NOTE 4: CAPITAL ASSETS**

Governmental activities capital asset activity for the year ended March 31, 2005 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	
Governmental activities:					
Nondepreciable capital assets:					
Land	\$ 30,520	\$ -	\$ -	\$ 30,520	
Depreciable capital assets:					
Buildings and improvements	172,540	-	-	172,540	
Equipment	389,589	5,890		395,479	
Total depreciable capital assets	562,129	5,890		568,019	
Accumulated depreciation	(150,656)	(16,594)		(167,250)	
Depreciable capital assets, net	411,473	(10,704)		400,769	
Governmental activities, capital assets, net	\$ 441,993	\$ (10,704)	\$ -	\$ 431,289	

Depreciation expense was charged to functions as follows:

#### **Governmental activities:**

General government	\$ 2,535
Public safety	12,960
Recreation and culture	 1,099
Total governmental activities	\$ 16,594

#### **NOTE 5: DEFERRED REVENUE**

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

At year end, the Township had no deferred revenue.

March 31, 2005

#### **NOTE 6: LONG-TERM LIABILITIES**

The Township may issue bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment.

At year end, the Township had no long-term liabilities.

#### NOTE 7: DISAGGREGATED RECEIVABLE AND PAYABLE BALANCES

Receivables and payables as of year end for the Township's governmental activities in the aggregate are as follows:

	Governmental Activities	
Receivables:		
Taxes	\$	14,235
Intergovernmental		15,829
Total receivables	\$	30,064
Accounts payable and accrued expenses:		
Accounts	\$	1,807
Intergovernmental		48,004
Total accounts payable and accrued expenses	\$	49,811

#### **NOTE 8: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for these risks. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

March 31, 2005

#### NOTE 9: EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

#### **Defined Contribution Plan:**

The Township has a retirement plan that covers all full-time employees. Under the plan, the Township contributes 20% of the employees' annual earnings. The Township's contributions amounted to \$12,657 for the year ended March 31, 2005. The plan is administered by Travelers Insurance Company.

#### **Post Employment Benefits:**

The Township provides no post employment benefits.

#### **Deferred Compensation Plan:**

The Township provides no deferred compensation plan.

#### **NOTE 10: PRIOR PERIOD ADJUSTMENT**

#### **Accounting Change:**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments* (Statement). The Township is required to implement the new requirements for the year ended March 31, 2005. The more significant of the changes to the financial statements as a result of the Statement are as follows:

For the first time, the financial statements will include:

- Government-wide financial statements prepared using full accrual accounting for all of the Township's activities.
- Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds.

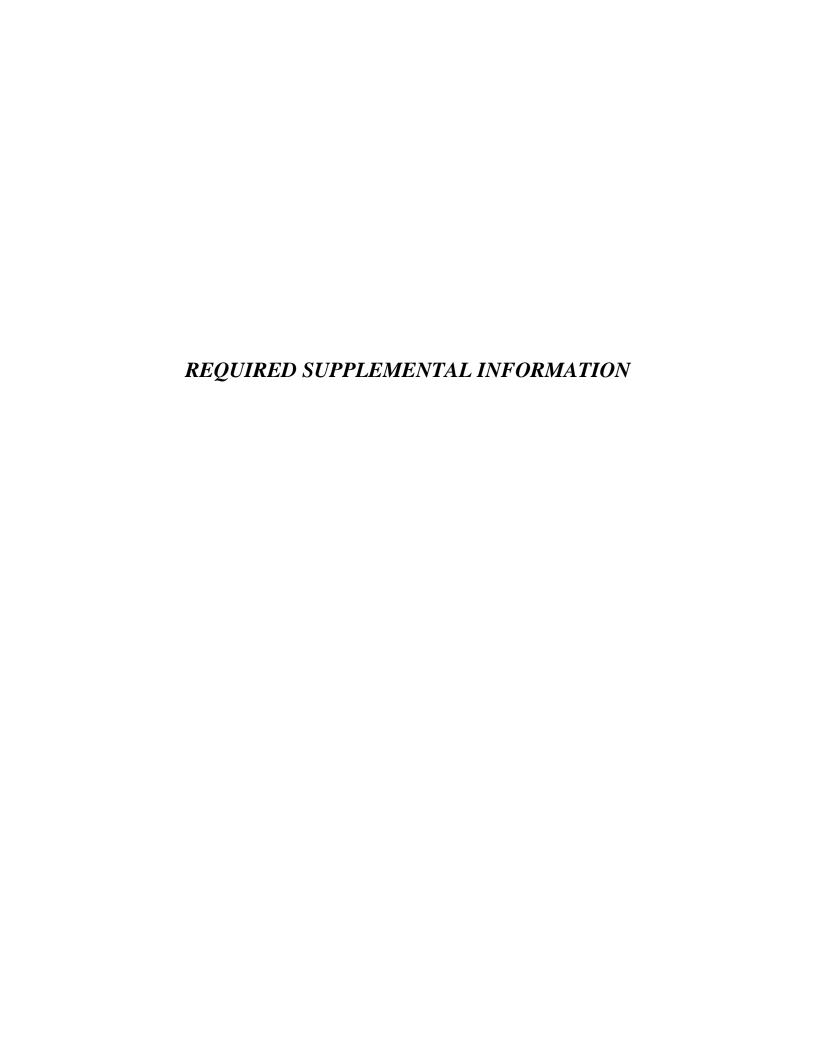
As a result of implementing the Statement, the following restatements were made to beginning fund balance and net asset accounts:

#### **Government-wide Financial Statements:**

Beginning net assets for governmental activities was determined as follows:

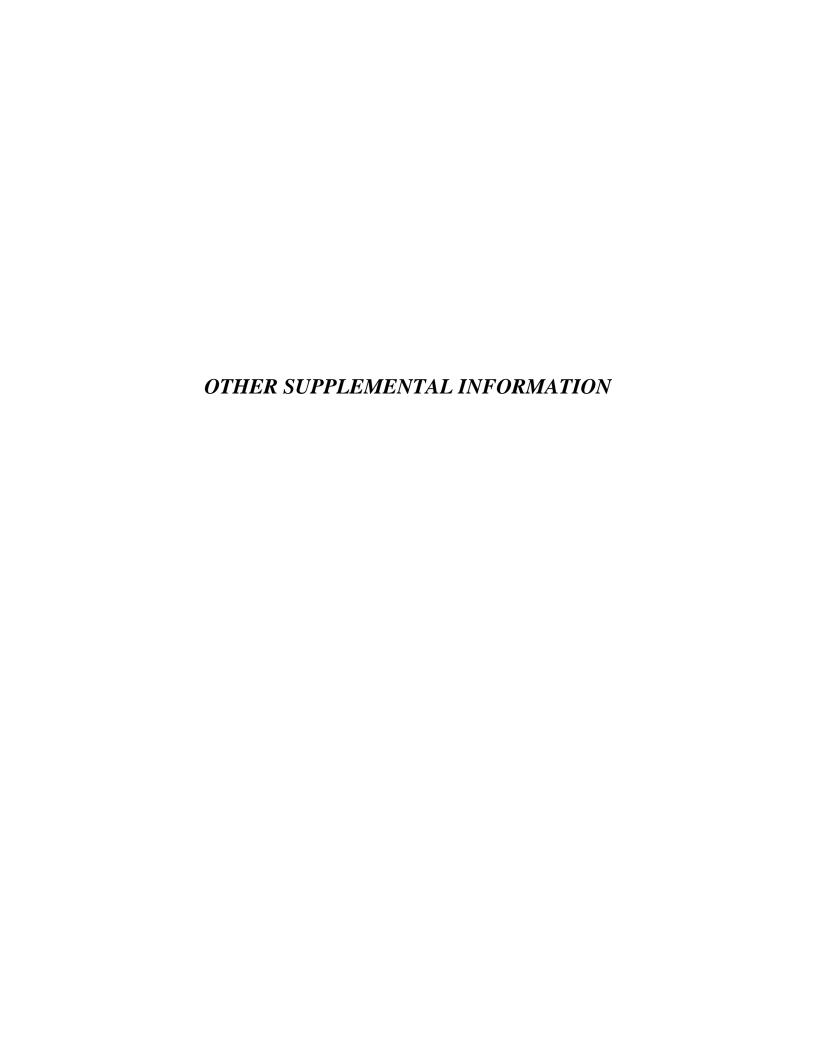
Fund balance of general fund as of 3/31/04	\$ 2	266,942
Add: Governmental capital assets, including general fixed assets as of 3/31/04	5	592,649
Deduct: Accumulated depreciation as of 3/31/04 on above governmental capital assets	(1	50,656)

Governmental net assets, restated, as of 3/31/04 \$ 708,935



# **BUDGETARY COMPARISON SCHEDULE**

					Actual		
	<b>Budgeted Amounts</b>				Over (Under)		
		)riginal	 Final		Actual	Fin	al Budget
Revenues:							
Property taxes	\$	62,385	\$ 62,385	\$	139,991	\$	77,606
Licenses and permits		2,000	2,000		1,615		(385)
State grants		118,945	108,945		109,219		274
Charges for services		1,400	1,400		300		(1,100)
Interest and rents		9,625	9,625		5,809		(3,816)
Other revenue		10,100	 10,100		13,497		3,397
Total revenues		204,455	 194,455		270,431		75,976
<b>Expenditures:</b>							
Current							
General government		111,820	111,820		94,091		(17,729)
Public safety		26,095	26,095		21,707		(4,388)
Public works		69,000	99,000		97,891		(1,109)
Community and economic development		11,320	11,320		6,530		(4,790)
Recreation and culture		3,100	3,100		2,494		(606)
Other		33,395	33,395		30,281		(3,114)
Capital outlay		14,600	 14,600		12,965		(1,635)
Total expenditures		269,330	 299,330		265,959		(33,371)
Excess (deficiency) of							
revenues over expenditures		(64,875)	(104,875)		4,472		109,347
Fund balance, beginning of year		266,942	 266,942	_	266,942		<u>-</u>
Fund balance, end of year	\$	202,067	\$ 162,067	\$	271,414	\$	109,347



# **DETAILED SCHEDULE OF REVENUES**

Current Taxes:	
Property taxes	\$ 113,913
Penalties and interest on taxes	55
Administration fees	22,898
Payment in lieu of taxes	3,125
	139,991
Licenses and permits:	
Nonbusiness licenses and permits	1,615
	1,615
State Grants:	
Summer tax reimbursement	5,888
Liquor license fees	2,212
State revenue sharing - sales tax	101,119
	109,219
Charges for services:	
Zoning/Variance/Appeals fees	300
	300
Interest and rents:	
Interest	4,418
Rents	1,391
	5,809
Other Revenue:	
Special assessments	4,586
Contributions and donations	1,260
Refunds and rebates	1,170
Other	6,481
	13,497
Total revenues	\$ 270,431
1 otal revenues	$\varphi = 270,431$

#### **DETAILED SCHEDULE OF EXPENDITURES**

Year Ended March 31, 2005

#### **EXPENDITURES:** General Government: Board: Personnel \$ 3,475 Mileage 5,898 Dues and memberships 1,269 Printing and publications 3,071 Other 10 13,723 Supervisor: Personnel 8,825 Telephone 586 Mileage 331 Education and training 30 9,772 Clerk: Personnel 14,587 Supplies 1,449 Telephone 952 290 Mileage Dues and memberships 50 Other 550 17,878 Board of Review: Personnel 935 Other 304 1,239 Treasurer: Personnel 14,877 Supplies 2,035 Telephone 461 Mileage 356 Other 1,317 19,046 Assessor: Personnel 9,600 Supplies 1,310 Mileage 122 Dues and memberships 115 790 Other

11,937

# **DETAILED SCHEDULE OF EXPENDITURES (CONTINUED)**

EXPENDITURES (CONTINUED):	
General Government (continued):	
Elections:	¢ 251
Supplies	\$ 251
Contracted services	2,245
Other	352
	2,848
Building and Grounds:	
Supplies	260
Contracted services	2,400
Telephone	501
Utilities	3,560
Repairs and maintenance	1,128
Other	126
	7,975
Attorney:	
Contracted services	8,873
	8,873
Community Promotion:	
Other	800
oulei	800
	800
Total general government	94,091
Public Safety:	
Liqour Law Enforcement:	
Personnel	1,800
	1,800
Fire:	
Personnel	5,580
Supplies	3,327
Contracted services	3,255
Telephone	844
Utilities	2,567
Repairs and maintenance	3,572
Other	762
	19,907
Total public safety	21,707

# **DETAILED SCHEDULE OF EXPENDITURES (CONTINUED)**

EXPENDITURES (CONTINUED):	
Public Works:	
Department of Public Works:	
Contracted services	\$ 9,938
Utilities	84
	10,022
Roads:	
Contracted services	80,414
Other	50
oner	
	80,464
Street Lighting:	4.505
Utilities	4,606
	4,606
Refuse Collection/Disposal:	
Contracted services	999
Other	1,800
	2,799
Total public works	97,891
Total public works	
Community and Economic Development:	
Planning:	
Personnel	1,736
Supplies	94
	1,830
Zoning:	
Personnel	2,291
Supplies	73
Contracted services	1,185
Telephone	292
Other	859
	4,700
Total community and economic development	6,530
Total community and economic development	
Recreation and Culture:	
Parks and Recreation Department:	
Personnel	1,150
Supplies	428
Utilities	795
Other	121
	2,494

# **DETAILED SCHEDULE OF EXPENDITURES (CONTINUED)**

Year Ended March 31, 2005

# **EXPENDITURES (CONTINUED):**

Total expenditures

Other:	
Insurance and bonds	\$ 16,660
Employer's share of retirement	12,657
Employer's share of FICA	964
	30,281
Total other	30,281
Capital Outlay:	
General government	902
Public safety	11,362
Recreation and culture	701
	12,965
Total capital outlay	12,965

\$ 265,959

## FIDUCIARY FUNDS – AGENCY FUND

# COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

	Beginning Balance	Additions	<b>Deductions</b>	Ending Balance	
Current Tax Collection Fund					
Assets:					
Cash and cash equivalents	\$ 665	\$ 2,197,234	\$ 2,181,875	\$ 16,024	
Liabilities:					
Accounts payable and accrued expenses	\$ 665	\$ 186,315	\$ 186,159	\$ 821	
Due to other governmental units		2,010,919	1,995,716	15,203	
Total liabilities	\$ 665	\$ 2,197,234	\$ 2,181,875	\$ 16,024	



60 Harrow Lane Saginaw, Michigan 48603

(989) 791-1555 Fax (989) 791-1992

#### MANAGEMENT LETTER

To the Township Board Greenbush Township, Michigan

We have completed our audit of the financial statements of Greenbush Township for the year ended March 31, 2005, and have issued our report thereon dated August 12, 2005. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The Township's administration is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by the administration are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide the administration with reasonable, but not absolute assurance that assets are safeguarded against unauthorized use or disposition and that transactions are executed in accordance with the administration's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may, nevertheless, occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Greenbush Township taken as a whole. Our study and evaluation disclosed no conditions that we believe to be material weaknesses in the current year. However, we did note the following:

#### **Investment Policy:**

The Township has not adopted an investment policy as required by the State of Michigan Public Act 196 of 1997.

We have provided the Township Clerk with a sample investment policy obtained from the Michigan Township Association. We recommend that the Township adopt an investment policy in the prescribed format.

#### **Credit Card Policy:**

The Township has not approved a "Credit Card Use Policy" in accordance with PA 266 of 1995.

We have provided the Township Clerk with a sample credit card use policy resolution obtained from the Michigan Township Association. We recommend that the Township adopt a credit card policy in the prescribed format.

# MANAGEMENT LETTER – Page 2

This report is intended solely for the use of the Township management and should not be used for any other purpose.

We wish to extend our appreciation to you and your staff for the assistance accorded us during our examination.

Sincerely,

Berthiaume & Company Certified Public Accountants

Berthiaume & Co,

August 12, 2005

